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***Affordability of insurance is major concern***

***Massachusetts program fuels doubts over California's proposals to require health coverage.***

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Massachusetts, the first state to require its residents to buy health insurance or face tax penalties, released the first details last week on how much individuals will have to pay for coverage if they don't get it through their jobs.

Consumer groups immediately charged that the insurance would be too expensive for some: People over age 56 making as little as \$30,000 a year would have to pay at least \$347 a month in premiums and could spend thousands of dollars more if they got sick.

As California lawmakers work out a health insurance overhaul that could contain a similar requirement for individuals, advocacy groups here say the Massachusetts example raises questions about whether it's possible to come up with affordable health insurance for people to buy on their own.

"Our big concern is that without guarantees that costs will be controlled, we're certain to stick some patients with health plans that simply aren't affordable," said Carmen Balber of the Foundation for Taxpayer and Consumer Rights in Los Angeles, an organization that wants the state to limit how much insurers can charge.

Mandating that people have insurance and penalizing them through the tax system if they don't comply is a linchpin of the health care proposal that Gov. Arnold Schwarzenegger unveiled in January.

The Republican governor's plan would cover the state's 6.5 million uninsured by making individuals, employers, doctors, hospitals and the federal government pay more into the health care system. Insurers would have to end their practice of turning away people whom they consider to be poor risks.

Daniel Zingale, a top adviser to Schwarzenegger on health care, said advocacy groups are mistaken in thinking that the prices in Massachusetts indicate that there would be similar costs for Californians.

"Massachusetts is vastly different from California," he said. "Premiums are higher there for a number of reasons."

Based on the price of insurance that is currently for sale in California, Zingale said, the governor believes it is possible to sell people insurance for as little as \$100 a month, albeit with a \$5,000 deductible.

Still, he said, "it's better than the other alternative, which is hundreds of thousands of dollars in liability" if someone without insurance requires extensive hospital care.

The governor and Democratic leaders of the California Assembly and state Senate have each produced their own health care proposals. Now, all sides are working out details, plugging in financial data and negotiating to address the concerns of insurers, consumer groups, health practitioners, and others.

It is still unclear whether the Senate and Assembly will have their own bills or move forward with a unified approach. But all sides expect the legislative debate to begin in earnest in April.

Regardless of the differences between California's insurance market and that in Massachusetts, the cost of coverage that individuals must buy and what benefits are included will be a central part of the discussion.

"The debate you see (in Massachusetts), the principles are going to be the same here in California," said Peter Harbage, a health care consultant who worked on Schwarzenegger's plan. "What are the trade-offs between higher premiums and lower premiums vs. cost-sharing" such as co-payments and deductibles.

There are some variables in California that are very different from Massachusetts, which requires its residents to obtain health coverage by July 1. Massachusetts, for example, already requires insurers to sell coverage to anyone who wants it, a policy known as guaranteed issue.

Health plans say adopting that policy here could raise prices for everyone who buys insurance on their own, if too many sick people come into the system. One reason insurance is cheaper here is because plans can now refuse to cover someone who is sick.

"The way insurance works is that it requires a whole lot of healthy people in a group that are paying for the relatively few folks who are going to be sick at any given time," said Chris Ohman, president of the California Association of Health Plans. "It's a really tough math problem, and that's where these discussions are really challenging. How do you make sure that folks who are healthy stay in the pool?"

The Massachusetts plan will allow people to opt out of buying insurance if a state board determines that it is unaffordable, potentially decreasing the number of people who are buying insurance and driving up prices.

The California proposals don't have a similar safety valve for the consumer.

That's one reason advocacy groups are pushing for a backup plan if California lawmakers can't figure out a way to provide good benefits at an affordable price once all the financial calculations are worked out.

"What is not acceptable is to have some people forced to buy a product that is not useful and is unaffordable," said Anthony Wright, director of Health Access, a consumer group. "Our focus is not to let it get that far."